

**South Dakota Public Utilities Commission Meeting
Tuesday, January 2, 2007, at 1:30 P.M.
State Capitol Building, Room 468
Pierre, South Dakota**

MINUTES OF THE COMMISSION MEETING

Chairman Dustin Johnson called the meeting to order. Present were: Vice Chairman Gary Hanson; Commissioner Steve Kolbeck; Executive Director Patty Van Gerpen; Deputy Executive Director Heather Forney; Commission Advisor Greg Rislov; Commission Attorneys Rolayne Wiest and John Smith; Staff Attorneys Karen Cremer and Kara VanBockern; Staff Analysts Keith Senger, Harlan Best, Dave Jacobson, Steve Wegman and Bob Knadle; Consumer Affairs Supervisor, Deb Gregg; and Administrative Secretary Demaris Axthelm.

Also present were: Darla Pollman Rogers, Riter, Rogers, Wattier & Brown, representing Local Exchange Carriers Association (LECA), Golden West Companies and Venture Communications Cooperative; Bob Miller, South Dakota Electric Utility Companies.

Joining the meeting by telephone were: Pat Maroney, Kathy Morrow and Chad Hahner, Sprint Communications Company L.P.; Tom Welk, Boyce, Greenfield, Pashby and Welk, representing Otter Tail Power Company and other Big Stone II Partners; Colleen Sevald and Jason Topp, Qwest Corporation; Mark Bring, Mark Rolfes, Dean Pawlowski and Terry Graumann, Otter Tail Power Company; Doug Eidahl, Vantage Point Solutions, representing Capital Telephone Company and Sancom, Inc.

Consumer Reports

1. Status Report on Consumer Utility Inquiries and Complaints Received by the Commission. (Consumer Affairs: Deb Gregg)

Ms. Deb Gregg reported that the Commission had received a total of 2,462 consumer contacts during 2006. Since the last report was prepared for the December 28, 2006 Commission meeting, 64 of these contacts had been received; 12 contacts involved telecommunications services; 12 contacts involved electricity issues; 3 contacts involved natural gas issues; 9 contacts involved cellular phone issues; 20 contacts involved Do Not Call issues; 0 contacts involved wind energy issues; and 8 contacts involved issues not regulated by the Public Utilities Commission. In 2006, 2,121 of the 2,462 complaints registered have been resolved informally.

Complaints

1. In the Matter of the Complaints Filed Against Dish Network Regarding a Do Not Call Complaint in Dockets CT06-001 and CT06-007

CT06-001 In the Matter of the Complaint filed by James B. Terwilliger, Pierre, South Dakota, against Dish Network Regarding a Do Not Call Complaint (Staff Analyst: Deb Gregg, Staff Attorney: Kara Van Bockern)

CT06-007 In the Matter of the Complaint filed by Pam Lutter, Ramona, South Dakota, against Dish Network Regarding a Do Not Call Complaint. (Staff Analyst: Deb Gregg, Staff Attorney: Kara Van Bockern)

Ms Kara Van Bockern recommended that Commission Dismiss the Complaints and Close Dockets CT06-001 and CT06-007, as these complaints will be included in Docket TC06-191.

Commissioner Kolbeck moved to Dismiss and close Dockets CT06-001 and CT06-007. Vice Chairman Hanson seconded and Chairman Johnson Concurred. Motion passed 3-0

1. EL06-002 In the Matter of the Application by Otter Tail Power Company on Behalf of Seven Regional Utilities for a Permit to Construct 5.45 Miles of 230 kV Transmission Line, 33 Miles of 345 kV Transmission Line, the Big Stone 345 kV Substation and Modification of the Big Stone 230 kV Substation (Staff Analysts: Bob Knadle/Nathan Solem/Martin Bettmann, Staff Attorney: Karen Cremer)

Mr. Tom Welk, Dean Pawlowski and Mark Bring representing Otter Tail Power Company (Otter Tail) gave a power point presentation explaining Applicants' proposed transmission project. Mr. Pawlowski stated that only one land owner on the route had not signed an easement option. Mr. Martin Bettmann recommended the Commission approve the Stipulation and grant the construction permit subject to the terms and conditions set forth in the Stipulation, including that Otter Tail file the final Environmental Impact Statement (EIS) and file a copy of the plan profile maps. Staff stated they haven't received any complaints regarding Docket EL06-002. See Power Point presentation link.

<http://www.state.sd.us/puc/commission/dockets/electric/2006/el06-002/january207powerpoint.pdf>

Chairman Johnson moved to approve the construction permit subject to the terms and conditions in the Stipulation in Docket EL06-002. Commissioner Kolbeck seconded and Vice Chairman Hanson concurred. Motion passed 3-0

2. EL06-028 In the Matter of the Joint Request for an Electric Service Rights Exception between Lyon Rural Electric Cooperative, Inc. and Sioux Valley-Southwestern Electric Cooperative, Inc. d/b/a Sioux Valley Energy. (Staff Analysts: Brian Rounds/Martin Bettmann, Staff Attorney: Karen Cremer)

Mr. Brian Rounds stated that Sioux Valley Energy and Lyon Rural Electric Cooperative Inc. agree that this exception will avoid unnecessary duplication of facilities. Both parties also agree that this exception does not change the service area assigned to Sioux Valley Energy, and that upon removal or abandonment of the service, the agreement will be terminated. The owner of the property, Mr. Earl Grimmus, is also in favor of the exception. Mr. Rounds agreed that this exception is in the public's interest and recommended that the Commission grant the service rights exception.

Commissioner Kolbeck moved to grant the service right exception in Docket EL06-028. Vice Chairman Hanson second and Chairman Johnson concurred. Motion Passed 3-0

Telecommunications

- 1. TC06-171 In the Matter of the Filing for Approval of a Qwest Local Services Platform Agreement between Qwest Corporation and Granite Telecommunications L.L.C. (Staff Attorney: Kara Van Bockern)**

Mr. Jason Topp, representing Qwest Corporation, requested that the Commission grant its request for reconsideration of its decision approving Qwest's Local Services Platform Agreement. Mr. Topp stated that it had submitted the agreement for informational purposes only and did not intend to file the agreement for approval under 47 U.S.C. 252. Mr. Topp argued that this agreement is intended to replace the Qwest Platform Plus agreement that the Commission has ruled must be filed and that this agreement no longer contains the provisions the Commission determined subjected it to the filing requirement. Mr. Topp stated that the approval in this docket could be construed in a later case as a Commission decision that the agreement is subject to all of the regulatory provisions invoked by a section 252 filing requirement. Ms. Kara Van Bockern, representing Staff, stated that in Staff's view, the agreement is still sufficiently tied to the interconnection agreement to require filing. Following a lengthy discussion about what relief Qwest had sought with its submittal of the agreement, the Commission determined that the motion for reconsideration should be granted so that the matter could be more thoroughly reviewed and taken up again after such review and that the reconsideration should not be construed as a decision on the merits.

Chairman Johnson moved to grant Qwest's Request for Reconsideration in Docket TC06-171 but that such approval not be construed in any way as a determination on the merits. Vice Chairman Hanson seconded and Commissioner Kolbeck concurred. Motion passed 3-0.

- 2. TC06-192 In the Matter of the Application of Multiline Long Distance, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota. (Staff Analyst: Nathan Solem, Staff Attorney: Kara Van Bockern)**

Mr. Nathan Solem stated that the applicant has requested a waiver from filing a cash flow statement as required by ARSD 20:10:24:02(8) and that Multiline Long Distance, Inc. (Multiline) has agreed to restrictions from offering any prepaid services and from collecting customer deposits or advanced payments. Mr. Solem stated that the applicant has met the requirements for the granting of a Certificate of Authority. Mr. Solem recommended the Commission grant the waiver request and issue Multiline an Interexchange Certificate of Authority subject to restrictions from offering any prepaid services and from collecting customer deposits or advanced payments without prior approval of the Commission.

Vice Chairman Hanson moved that Commission grant Multiline an Interexchange Certificate of Authority subject to restrictions from offering any prepaid services and from collecting customer deposits or advanced payments without prior approval of the Commission and grant the waiver of ARSD 20:10:24:02(8). Commissioner Kolbeck seconded and Chairman Johnson concurred. Motion passed 3-0

3. In the Matter of the Filing for Approval of Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunications Services in Dockets TC06-194 and TC06-197

TC06-194 In the Matter of the Filing for Approval of Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunications Services between Qwest Corporation and Midstate Telecom, Inc. (Staff Attorney: Kara Van Bockern)

TC06-197 In the Matter of the Filing for Approval of Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunications Services between Qwest Corporation and Crystal Communications, Inc. n/k/a HickoryTech Long Distance. (Staff Attorney: Kara Van Bockern)

Ms. Kara Van Bockern stated that all the companies have active Certificates of Authority. The Agreements have been properly filed, have been properly executed and do not appear to contain discriminatory provisions. No comments were filed and staff recommends approval of the Agreements.

Commissioner Kolbeck moved to approve the Agreements in Dockets TC06-194 and TC06-197. Chairman Johnson seconded and Vice Chairman Hanson concurred. Motion passed 3-0.

4. TC06-196 In the Matter of the Filing by Capital Telephone Company, Inc. for Approval of its Intrastate Switched Access Tariff and for an Exemption from Developing Company Specific Cost-Based Switched Access Rates (Staff Analyst: Nathan Solem, Staff Attorney: Karen Cremer)

Mr. Nathan Solem stated that on December 5, 2006, Capital Telephone Company, Inc. filed a petition in accordance with ARSD 20:10:27:11 asking that it be exempt from developing company specific cost based intrastate switched access rates. Capital is further asking for waivers of ARSD 20:10:27:07 in that it not be required to come back before this commission every three years, 20:10:27:12 so they can mirror the Qwest rate instead of the LECA Plus rate, and 20:10:27:13 for billing and collection rates. Capital also requests approval of its access services tariff. Mr. Solem recommended the Commission approve Capital Telephone Company, Inc.'s petition and grant the waivers of ARSD 20:10:27:07, 20:10:27:12 and 20:10:27:13 and allow Capital to adopt the Qwest intrastate switched access rate with no time restrictions. Mr. Solem also recommended approval of Capital's access services tariff and that the Commission allow Capital Telephone Company, Inc. to file adjustments to its intrastate switched access rate so long as those adjustments either mirror Qwest's rate or are lower

Chairman Johnson moved to approve the Intrastate Switched Access Tariff and the Exemption from developing company specific cost-based switched access rates and grant the waiver of ARSD 20:10:27:07, 20:10:27:12 and 20:10:27:13 in Docket TC06-196. Commissioner Kolbeck seconded and Vice Chairman Hanson concurred. Motion passed 3-0

5. TC06-198 In the Matter of the Filing by Sancom, Inc. d/b/a Mitchell Telecom for Approval of Revisions to its Intrastate Switched Access Tariff. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

Mr. Harlan Best stated there were no interventions filed in Docket TC06-198. Mr. Best recommended using the Local Exchange Carriers Association (LECA) plus rate of 12.25 cents for the remaining year of the current three year exemption. Mr. Best also recommended no refunds for the prior rate.

Vice Chairman Hanson moved to approve Sancom's proposed revisions to its Intrastate Switched Access Tariff rates at the Local Exchange Carriers Association (LECA) plus rate of 12.25 cents for the remaining year of the current three year exemption and no refunds for the prior rates. Commissioner Kolbeck seconded and Chairman Johnson concurred. Motion passed 3-0

6. TC06-200 In the Matter of the Filing by Sprint Communications Company L.P. for a Waiver to Obtain a New LRN Block in the Lake Preston Rate Center. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

Mr. Harlan Best stated there were no interventions filed in Docket TC06-200. Ms. Kathy Morrow, Mr. Chad Hahner and Mr. Pat Maroney, representing Sprint, explained to Commissioners why a second Local Routing Number would be needed and will close the current LRN service at Vermillion when porting is complete. Mr. Best restated that after all numbers are ported, the Vermillion block of numbers must be returned to NewStar.

Commissioner Kolbeck moved to Grant a Waiver in Docket TC06-200 subject to the condition that after all numbers are ported the Vermillion block be returned. Chairman Johnson seconded and Vice Chairman Hanson concurred. Motion passed 3-0

7. TC06-202 In the Matter of the Filing by Ionex Communications North, Inc. for Approval of its Intrastate Switched Access Tariff and for an Exemption from Developing Company Specific Cost-Based Switched Access Rates. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

Mr. Harlan Best indicated that no parties have intervened. Mr. Best recommended the Commission grant the exemption from filing a cost study, waive ARSD 20:10:27:12 and allow Ionex to mirror the Qwest rate or be lower than the Qwest rate, waive the requirement of ARSD 20:10:27:07 which requires the company to file every three years and approve Ionex's proposed intrastate switched access rate.

Vice Chairman Hanson moved to approve intrastate switched access tariff and exemption from developing company specific cost-based switched access rates in TC06-202 and grant waivers of ARSD 20:10:27:07 and 20:10:27:12. Chairman Johnson seconded and Commissioner Kolbeck concurred. Motion passed 3-0

ADDENDUM

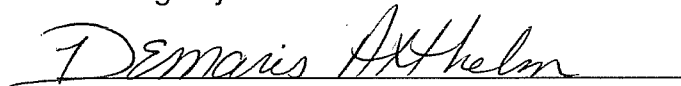
Telecommunications

1. **TC06-186 In the Matter of the Application of Capital Telephone Company, Inc. for a Certificate of Authority to Provide Local Exchange Services in Exchanges Served by Qwest. (Staff Analyst: Nathan Solem, Staff Attorney: Karen Cremer)**

Mr. Nathan Solem stated that Capital Telephone Company, Inc. has requested a waiver per ARSD 20:10:32:03 (22) from filing an income statement and cash flow statement as required by 20:10:32:03 (11) (a). Capital Telephone Company has agreed to restrictions from accepting customer deposits or advance payments and from offering any prepaid services. Capital Telephone Company has met the requirements for the granting of a Certificate of Authority. Therefore, Mr. Solem recommended the Commission grant the waiver request and issue Capital Telephone Company, Inc. a certificate of authority subject to the rural safeguards and restrictions from offering any prepaid services and from collecting customer deposits or advanced payments without the prior approval of the Commission.

Chairman Johnson moved that Commission grant a local exchange Certificate of Authority to Capital Telephone Company, Inc. subject to rural safeguards and restrictions from offering any prepaid services and from collecting customer deposits or advanced payments without the prior approval of the Commission and grant approval of the waiver of ARSD 20:10:32:03 (22) and ARSD 20:10:32:03 (11) (a). Vice Chairman Hanson seconded and Commissioner Kolbeck Concurred. Motion carried 3-0

Meeting adjourned.


Demaris Axthelm
Administrative Secretary